

**PHILIP MORRIS U.S.A.**

**INTER-OFFICE CORRESPONDENCE  
120 PARK AVENUE, NEW YORK, NY 10017**

**TO:** Field Sales Force **DATE:** July 14, 1995  
**FROM:** Gary Eastburn/VP, Trade Marketing  
**SUBJECT:** Summer Sales Spectacular - Marlboro Extension (7/17-7/30)

Congratulations on the great job executing Phase 1 of the Summer Sales Spectacular Program! We have turned Marlboro's momentum back to pre-recall levels. With this strong momentum, how can we build an even greater success for Marlboro?

**Here's how:**

Beginning July 17 through July 30, we will add a Marlboro Extension (ME) in the last two weeks of the Summer Sales Spectacular. Phase 2 of SSS (OPB) will continue as scheduled.

**Here's how it works:**

**Who's eligible:**

All Retail Masters accounts, including grandfathered "M" contracts, Plan RAs, and MPL 1s and higher, as of July 1, 1995.

Note: Section 52 with the exception of the Nevada portion of Section 52 will not participate in the SSS Marlboro Extension (ME).

**Offer:**

- Participating retailers will receive a Flex allowance of 20¢ per pack and \$2 per carton on Marlboro, provided the account offers and communicates a reduced price on Marlboro of **at least 20¢ per pack and \$2 per carton**. The Flex allowance is available at the rate of **no more than 20¢ per pack** provided that the retailer reduces its price to consumers on Marlboro by **at least 20¢ per pack**.

This offer is for the two-week period from **July 17 to July 30, 1995** or until Marlboro extension dollars are used up, whichever comes first.

- SSS Marlboro Extension dollars will be deposited by July 16, 1995 in Flex Fund accounts based on attached payment grids (Attachments A to C). TSMs can transmit beginning the evening of July 16 to view updated Flex Fund balances. Retail Masters accounts at MPL 1, RAs, and grandfathered "M" contracts all have SSS Marlboro Extension dollars contributed into the already established temporary Flex Fund. These funds will be available only for the execution of SSS Marlboro Extension.

**It is critical that accounts are paid only for performance and actual participation as opposed to paying out all budgeted dollars available for SSS Marlboro Extension.**

- In no event should the Marlboro Extension be continued beyond **July 30, 1995**.

**COMMUNICATED MS MAIL 7/14/95 TO VPRSSs, TMDs, SSDs, TMPs, TMMs, TMFs, NAMs, HRDs, RFDs, RFMs, RMIs, SOMs, DMs, SAMs, SFLMs, RMSMs, RFAs, TMAs, MAs, RAAs, AND SAAs, AND BT2000 7/14/95 TO UMs, TSMs, AMMSs, AMSSs, AND SDAs. NO HARD COPIES PROVIDED BY NYO. FOR INTERNAL USE ONLY.**

DOC. #491

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**Marlboro Extension Retail Execution Elements:**

- Down the street selling and execution begins immediately.
- Marlboro Van kits (Attachment D) will be delivered to TSMs' homes on Tuesday, July 18, 1995.
  - Residual Marlboro POS from Phase 1 of SSS can be used.

**Marlboro Extension Participation Requirements:**

- Retailer must reduce its price on Marlboro by at least 20¢ a pack and at least \$2.00 per carton from July 17 through July 30 or until Marlboro Extension dollars are used up, whichever comes first.
- Retailer must communicate the reduced price using available POS.
- Retailer must maintain POS communicating the reduced price. Quantities of POS should be determined by the TSM; however, a minimum of one piece of POS is required.
- Retailer signs the Retailer Understanding Form attached. Field personnel should make four copies of the Retailer Understanding Form enclosed and distribute one each to Section office, Supervisor, Retailer and retain one for your records.

**Paying Accounts:**

- Promo code 254A should be used for invoicing Marlboro Extension payments (same promo code used in Phase 1).
- It is not necessary to wait until the completion of Marlboro Extension to invoice accounts for participating in Phase 1.
- Independent Accounts - Invoice via SFA on the Promotions Placement screen. Payment Instructions (Attachment E).
- Chain Accounts - Invoice via FSI on the placement screen. Payment Instructions (Attachment F).
- Account Managers calling on the Headquarter Level of a Chain should communicate to Account Managers within the hierarchy the SSSME dollars for each level of the hierarchy.
- All invoicing for SSSME must be completed **no later than September 15, 1995**. All unused SSS and SSSME Contribution dollars will be deducted from Flex Funds on **September 16, 1995**.

Good Selling!

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**Attachment A**  
**Marlboro Extension 7/17-7/30**

**July 14, 1995**

**Summer Sales Spectacular - Marlboro Extension**  
**Plan RA Contract**

**Payment Grids**

<b>PM Volume (CPW)</b>			<b>Rate Factor</b>	<b>Total Dollar Contribution for SSS Marlboro Extension (Between July 17 - July 30)</b>
0	-	29	1	\$23
30	-	48	2	\$63

**Note: Section 52, with the exception of the Nevada Market,  
will not participate in SSSME.**

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Attachment B  
Marlboro Extension 7/17-7/30

July 14, 1995

Summer Sales Spectacular - Marlboro Extension  
Retail Masters P1/P2/M1/M2 Contract

Payment Grids

PM Volume (CPW)	Rate Factor	Total Dollar Contribution for SSS Marlboro Extension (Between July 17 - July 30)
<30	1	\$0
30 - 48	2	\$0
49 - 64	3	\$91
65 - 77	4	\$115
78 - 89	5	\$135
90 - 103	6	\$156
104 - 122	7	\$183
123 - 146	8	\$217
147 - 177	9	\$262
178 - 210	10	\$314
211 - 255	11	\$377
256 - 304	12	\$452
305 - 367	13	\$543
368 - 438	14	\$651
439 - 527	15	\$781
528 - 630	16	\$936
631 - 759	17	\$1,123
760 - 908	18	\$1,348
909 - 1093	19	\$1,618
1094 - 1308	20	\$1,941
1309 - 1573	21	\$2,329
1574 - 1886	22	\$2,796
1887 - 2265	23	\$3,355
2266 - 2716	24	\$4,025
2717 - 3261	25	\$4,830
3262 - 3912	26	\$5,797
3913 - 4695	27	\$6,955
4696 - 5634	28	\$8,347
5635 - 7031	29	\$10,234
7032 - 7842	30	\$12,018
7843 - 10007	31	\$14,423
10008 - 11412	32	\$17,307
11413 - 14291	33	\$20,769

Note: Section 52, with the exception of the Nevada Market, will not participate in SSSME.

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Attachment C  
Marlboro Extension 7/17-7/30

July 14, 1995

Summer Sales Spectacular - Marlboro Extension  
Retail Masters C/TS/WC/M3-M6 Contract

Payment Grids

PM Volume (CPW)			Rate Factor	Total Dollar Contribution for SSS Marlboro Extension (Between July 17 - July 30)
<76			1	\$0
76	-	95	2	\$138
96	-	120	3	\$175
121	-	150	4	\$219
151	-	190	5	\$276
191	-	240	6	\$348
241	-	300	7	\$437
301	-	377	8	\$548
378	-	469	9	\$684
470	-	586	10	\$853
587	-	733	11	\$1,067
734	-	916	12	\$1,333
917	-	1146	13	\$1,667
1147	-	1432	14	\$2,084
1433	-	1790	15	\$2,604
1791	-	2238	16	\$3,255
2239	-	2798	17	\$4,070
2799	-	3497	18	\$5,087
3498	-	4372	19	\$6,359
4373	-	5464	20	\$7,948
5465	-	6831	21	\$9,935
6832	-	8538	22	\$12,419
8539	-	10674	23	\$15,524
10675	-	13341	24	\$19,405
13342	-	16678	25	\$24,256
16679	-	20847	26	\$30,321
20848	-	26059	27	\$37,901

Note: Section 52, with the exception of the Nevada Market, will not participate in SSSME.

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**Attachment D**

**SSS Marlboro Extension POS**  
**To Be Received July 18, 1995**

<b>TSM Van Kit Items (2 Boxes)</b>	<b>Quantity</b>
Marlboro Posters Horizontal	95
Marlboro Posters Vertical	95
Marlboro Small Poster	5
Marlboro Multi-Purpose Card	10
Marlboro B-Header	10
Marlboro CB Overlay Large	10
Marlboro CB Overlay Small	10
Marlboro Static Cling	10
Marlboro Large Starburst	35
Marlboro Small Starburst	35
Marlboro Danglers	15
Marlboro 4x3 Banner	2
Marlboro 9x3 Banner	3
Marlboro Change Mat	5
Magic Marker	1
Double-Sided Marker	1

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**SSS MARLBORO EXTENSION**  
**Retailer Understanding of Program Elements**

In order to receive the Philip Morris allowance, I understand that participants for the Marlboro Extension will need to reduce the price of **Marlboro** by at least 20¢ a pack or \$2.00 a carton based on the normal non-promotional retail selling price, and offer the reduced price to consumers for 2 weeks from **July 17 - 30, 1995** or **until SSS Marlboro Extension dollars are depleted**.

Additionally, point-of-sale items will need to be placed and maintained in agreed-upon location(s) during the entire price reduction period.

POS Item \_\_\_\_\_ Location \_\_\_\_\_ POS Item \_\_\_\_\_ Location \_\_\_\_\_

POS Item \_\_\_\_\_ Location \_\_\_\_\_ POS Item or retailer advertising \_\_\_\_\_ Location \_\_\_\_\_

**Price in Effect**

**Marlboro**

**Reduced Price**

Pack: \$ \_\_\_\_\_ Ctn: \$ \_\_\_\_\_

**Potential Promotion Allowance Payment**

Payments will be made for full participation in this promotion at the completion of the promotion period.

# Ctns

Total Potential Promotion Allowance is \$ \_\_\_\_\_

Philip Morris reserves the right to audit compliance of any of these program requirements at any time, to audit sales and/or shipment receipts upon request, and to withhold payment for any non-compliance.

Store Name: \_\_\_\_\_ Call # \_\_\_\_\_ Control # \_\_\_\_\_

Store Address: \_\_\_\_\_

Philip Morris Representative (please print) \_\_\_\_\_ Territory # \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**I understand the elements of the SSS MARLBORO EXTENSION PROGRAM and I will participate.**

Retailer (Please print name) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Distribution: Original - Section Office    Copy 1 - PM Manager    Copy 2 - Retailer    Copy 3 - PM Representative

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Attachment E

SSS ME SFA Independent and Unlocked Chain Retail Payment Instructions

Please note that the encircled numbers on the picture corresponds to the instruction numbers below.

1. Enter promotion code 254A.
2. Enter the correct number of cartons.
3. Select HEADQUARTERS or LOCAL for the Pay Method.
4. Select INVOICE for Pay By if the total payment is \$1,500.00 or less. If the total payment is more than \$1,500.00 then, select PAY LATER. Unit Managers will approve payments greater than \$1,500.00.
5. Click the ADD button.

Call #	Account #	Predominant	Call Date
PM Volume	Ownership	Chain	? Store Name
HAVE YOU SOLD THE MONTHLY PROMOTIONS IN THIS ACCOUNT?			

  

Promotions Available		Cartons Sold	Flex Fund	Code	1 254A
<input type="checkbox"/> Monthly	<input checked="" type="radio"/> Territory	This Call	\$ 500.00	Displays	0
	<input type="radio"/> Nationwide	Total		Incentives	2 0
	<input type="radio"/> Carton			Rate	2.00
	<input type="radio"/> Pack			Amount Due	0.00
Type	FLEX FUND	PM Brand	Miscellaneous		
Description	SSS Marl & Basic \$2/Carton Payment				
Pay Method	HEADQUARTERS	3	Pay By	INVOICE	4
POS Description:					
History		5	ADD	Remove	Update
Date Placed	Placed By	Code	Description	Pay Dis	Rate Inc Due Status

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Attachment F

**SSS ME FSI Payment Instructions**

Step	Action				
1	Access the Management Promotion Pay Level screen and inquire on the management account to be paid for the SSS ME promotion.				
2	<table><tr><th>Either</th><th>Or</th></tr><tr><td>Modify the current promotion pay level data for the management account.</td><td>Add the promotion pay level data for the management account.</td></tr></table>	Either	Or	Modify the current promotion pay level data for the management account.	Add the promotion pay level data for the management account.
Either	Or				
Modify the current promotion pay level data for the management account.	Add the promotion pay level data for the management account.				
3	Access the Management Promotion Invoice Storelist-Detail screen.				
4	<p>Using promotion code 254A, pay each retail store which should be paid by clicking the EDIT button and typing in the promotion code and the quantity, and then selecting the month and year for the promotion payment.</p> <p><b>Notes</b></p> <ol style="list-style-type: none"><li>1. You can also mass assign the promotion code to retail stores via the Management Mass Retail Promotion Assignment screen.</li><li>2. TSMs will have to verify the promotion for the retail store in SFA before you can pay it in FSI.</li><li>3. When Mass Assigning Promotion, a quantity greater than zero must be entered.</li></ol>				
5	After the TSM has verified the promotion, access the Management Invoice Store List - Summary screen and review the line items on the promotion invoice. Make adjustments by double clicking on a line item.				
6	Access the Management Promotion Invoice screen and finalize the invoice.				
7	Approve the promotion invoice if it falls within Finance's approval guidelines, or have your supervisor approve the promotion invoice if it falls outside of Finance's approval guidelines.				

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